

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of December 5 (7:00 PM) and 6 (9:00 AM), 2006  
Lansing Community College West Campus, 5708 Cornerstone, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees evening session commenced at 7:00 PM, December 5, 2006.

The following Board members were present:

Keith Charters  
Bob Garner  
Lana Pollack  
Sam Washington

Mr. Torre was not in attendance at the December 5<sup>th</sup> evening meeting due to a prior commitment.

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

I. ADOPTION OF MINUTES FOR MEETINGS OF OCTOBER 18, 2006 AND  
NOVEMBER 9, 2006.

Chairperson Washington called for the adoption of the October 18, 2006 and November 9, 2006 meeting minutes.

**MOVED BY MR. CHARTERS, SUPPORTED BY MS. POLLACK, TO  
APPROVE THE MINUTES OF THE OCTOBER 18, 2006 AND  
NOVEMBER 9, 2006 MNRTF BOARD MEETINGS. PASSED.**

III. PUBLIC APPEARANCES.

Chairperson Washington informed the audience that the purpose of public appearances this evening was to question or comment exclusively with the scoring of grant applicants' projects. The presentation should not include a representation of projects, PowerPoint presentations or anything beyond questions dealing with the scoring of projects.

Each presentation will be restricted to three minutes per speaker.

Presentations regarding project scoring issues were made by the following communities:

Mr. Chuck Parkinson, Township Supervisor, Plainfield Township – 06-046, Plainfield  
Township Nature Park Improvements  
Ms. Shelly Stolsmark, Parks Director, Thomas Township – 06-042, Tittabawassee River  
Property Acquisition  
Mr. Tobi Lake, County Administrator, Newaygo County – 06-204, Camp Swampy  
Acquisition-Diamond Lake County Park

Mr. Dave Heiniger, Supervisor, Weesaw Township – 06-209, Weesaw Township Community Park Acquisition  
Ms. Rebecca Ragan, Treasurer, Gerrish Township – 06-036, Gerrish Township Public Park  
Mr. Kevin Anderson, City Manager, City of South Haven – 06-035, South Haven Area Recreation Park Acquisition  
Mr. Dennis Knapp, DNR, Law Enforcement – 06-133, Multi-Use Shooting Sports and Education Facility  
Mr. Tom Nelson, Land Protection Specialist, Leelanau Conservancy – 06-142, Leelanau State Park Conservation Easement - DNR, Parks and Recreation Division  
Mr. Arthur Shufflebarger, Manager, Village of Milford – 06-079, Hubbell Pond Park Non-Motorized Trail  
Ms. Kerry Wieber, Forest Land Administrator, Forest, Mineral and Fire Management, DNR – 06-129, Big Rock Point Acquisition withdrawal and reductions in request amounts for various other DNR applications  
Ms. Mindy Koch, Resource Management Deputy, DNR – 06-129, Big Rock Point Acquisition  
Mr. Gary Carlile, Park Director, City of Dowagiac – 06-203, Dowagiac Youth Sports Park Acquisition  
Mr. Jim Rudicil, Executive Director, Muskegon Winter Sports Complex – 06-144, DNR, Muskegon Winter Sports Complex Amenities  
Mr. Keyno Shellenbarger, Engineer for City of Au Gres – 06-097, Pedestrian Walkway/Bike Path  
Ms. Amy Golke, Senior Planner, Birchler Arroyo Associates, representing Sumpter Township – 06-100, Marvin Banotai Municipal Park  
Mr. Andrew Mutch, Council Member, City of Novi – 06-207, Heritage Shoppes Property Acquisition

Ms. Julie Stoneman, Executive Director, Land Conservancy of West Michigan – TF03-115, Old Harbor Natural Area (Denison South) Acquisition; and TF04-105, Denison South – City of Saugatuck.

Ms. Julie Stoneman, Executive Director, Land Conservancy of West Michigan, made comments regarding the Denison property and advised the Board that both the north and south properties are under a single ownership. It is now anticipated that the owner will sell the south portion to the City of Saugatuck, however, his preference at this time is not to do any transactions until the outcome of the entire property is reviewed, where some development on the north side is anticipated.

The city withdrew their grant for \$4.5 million that was awarded to them for the property, as it would be expiring at the end of 2007.

Presentations continued regarding project scoring issues.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy – 06-201, Crooked River Access Project, Village of Alanson  
Mr. Larry Sullivan, Planning Director, Charlevoix County – 06-094, Whiting Park Access Improvement  
Mr. Jim Moran, Development Consultant, City of Ecorse – 06-148, Ecorse Greenway and Parks Development  
Mr. Bryan Vincent, City Superintendent, City of Manton – 06-062, Railroad Park Pavilion

At this point, Mr. Dennis Fedewa, Chief Deputy, DNR, advised the Board and audience of revenues available for funding this year. He referenced the “green” revenue report that the Board received in their Board packages.

Mr. Fedewa stated that oil and gas revenue totaled \$57.3 million. One-third of this amount (\$19.1 million) is set aside and \$10 million was transferred to the State Parks Endowment fund. The amount to the principal balance was \$28.2 million.

Mr. Fedewa further stated that funds for non-oil and gas revenue was \$4.9 million, investment income (5% of corpus) was \$14.1 million. One-third (\$19.1 million) of the revenue is available to appropriate. The total amount available for appropriation is \$38.2 million.

After deducting for administrative expenditures, the amount available for appropriation of 2006 grant projects, with prior year revenue/interest adjustments, is \$27.6 million for acquisition and \$7.7 for development (based on 20% of available funds).

Mr. Charters had a question regarding the administrative expenditure cost for the Department of Information and Technology (DIT) (\$449,950.42) and wondered how expenses compared to a year ago. Mr. Fedewa did not have that information with him at the time, but would find out and provide it to the Board.

Mr. Fedewa also referenced the memo regarding funds available for 2006 projects that the Board received in their packages. This memo outlines what the amounts available would be using a 20% and 25% split for development. These figures would be:

20% Split - \$27,869,623 for acquisition; \$7,800,606 for development

25% Split - \$25,919,472 for acquisition; \$9,750,757 for development

Chairperson Washington asked if there was any other money lapsed last fiscal year that has gone back to the MNRTF. He was not asking about the Denison property money that was lapsed, but other funding. Chairperson Washington would like to see the Denison property money go to the Stabilization Fund.

Chairperson Washington explained, for the benefit of the audience, that the Stabilization Fund is for monies that are lapsed or not used from projects. They are put in this fund to be used for future projects in “lean” years for granting purposes.

Ms. Pollack asked if the Denison property lapsed money is placed in the Stabilization Fund, and the property again became available, could the money for the purchase be taken out of the Fund and be used specifically for this acquisition. Chairperson Washington responded that this would be at the discretion of the Board to make that decision. Mr. Garner also commented that the Legislature would have to reappropriate the money.

Mr. Fedewa advised the Board about the figures indicated in the Stabilization Reserve Fund portion of the revenue report. He stated that it is anticipated that the final payment for Section 29 liability will occur in calendar year 2007.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. GARNER, TO ADJOURN THE MNRTF BOARD’S EVENING MEETING. PASSED.**

The December 5, 2006 evening session meeting was adjourned at 8:50 PM.

The regular meeting of the MNRTF Board of Trustees commenced at 9:05 AM, December 6, 2006.

The following Board members were present:

Keith Charters  
Bob Garner  
Lana Pollack  
Frank Torre  
Sam Washington

## II. ADOPTION OF AGENDA FOR MEETING OF DECEMBER 6, 2006

Chairperson Washington called for the adoption of the agenda for the December 6, 2006 Board meeting.

**MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO ADOPT  
THE AGENDA OF THE DECEMBER 6, 2006 MNRTF BOARD MEETING.  
PASSED.**

Chairperson Washington stated that Senator Nancy Cassis wished to make a presentation on behalf of the Village of Milford's and Milford Township's grant applications.

Senator Nancy Cassis – 06-074, Milford to Kensington Metropark Trail, Milford Township; and 06-079, Hubbell Pond Park Non-Motorized Trail, Village of Milford

Senator Nancy Cassis made a presentation in support of funding for 06-074, Milford to Kensington Metropark Trail, Milford Township; and 06-079, Hubbell Pond Park Non-Motorized Trail, Village of Milford. These grants would expand the recreational network of pathways in the area. Both of these grants would be used together to provide connectors to existing pathways, as well as to create new ones.

Milford Township would like to build a 2.9-mile non-motorized trail leaving from Kensington Metropark north to the Milford Dam at the Huron River. Twenty percent of the funding for the project has already been received from the Michigan Department of Transportation. The construction design is 85% complete at this time, and is on schedule to begin spring of 2007 with approval of the grant.

The Village of Milford has requested a grant to build 1.1-miles of non-motorized trail within Hubbell Pond Park. This trail will connect with Milford Township's proposed trail.

The Southeast Michigan Greenway Vision, which includes seven counties and the City of Detroit, has identified these projects as priorities in their regional vision. Funding for these grants is imperative to continue the recreational goals of the community and the region.

Ms. Pollack stated that Senator Cassis has made an important point in that one of the primary goals of the Michigan Land Use Commission [per motion at April 18, 2007 meeting, name of commission changed to **Michigan Land Use Leadership Council**], appointed by Governor Granholm four years ago, was to encourage the cooperation that we see between these units of government. This is an example of the intermunicipality, intergovernmental relationships which is essentially for greenways that connect and do not recognize political boundaries, but are in tune to the natural features.

Director Rebecca A. Humphries, DNR

Director Rebecca A. Humphries stated that 2006 marked the 30<sup>th</sup> anniversary of the MNRTF. Celebrations to honor this anniversary have been held in various parts of the state. She wished to introduce and thank the DNR staff who was involved in planning the various events. Staff includes:

Jim Wood, Manager, Grants Management  
Linda Harlow, Administrative Assistant, Grants Management  
Deborah Apostol, Manager, Recreation Grants Unit, Grants Management  
Lisa McTiernan, Grant Coordinator, Grants Management  
Jason Cherry, Grant Coordinator, Grants Management  
Linda Hegstrom, Grant Coordinator, Grants Management  
Monica Day Ostrand, Grant Coordinator, Grants Management  
Maureen Houghton, Grants Specialist, Grants Management  
Jule Stafford, Department Analyst, Grants Management  
Judy Chamberlain, Department Analyst, Grants Management  
Christie Bayus, Account Technician, Grants Management  
Dennis Fedewa, Chief Deputy, DNR  
Tina Stojakovich, Office of Communications  
Earl Wolf, Office of Communications  
Ann Wilson, Press Secretary, Office of Communications

Director Humphries also wished to recognize and thank Mr. Tim Schreiner, Director of the Grand Traverse County Parks and Recreation Department, for all his assistance in the planning and organizing of the celebration that was held in Traverse City.

Mr. Garner added he echoed Director Humphries thanks to staff and Mr. Schreiner. He participated in the celebrations in Traverse City and also the event at the Upper Peninsula Pocket Park in Escanaba. Both events were great and everyone enjoyed them.

IV. OLD BUSINESS.

MNRTF Board Special Initiative for Universal Access

Mr. James Wood, Manager, Grants Management, DNR, outlined the MNRTF Board Special Initiative for Universal Access. At their last meeting, the Board adopted criteria to recognize projects that provide universal access. The criteria were adopted at a 10, 20 and 30 score range.

Staff has been working with the Kellogg Foundation to develop the criteria and how to use it. Upon review of the score range, it was determined that it would be better to have points in 5-point increments (0, 5, 10, 15, 20, 25 and 30).

Staff is requesting Board approval for the change in scoring of the Access to Recreation Special Initiative to 0, 5, 10, 15, 20, 25 and 30 possible points.

**APPROVED BY MS. POLLACK, SUPPORTED BY MR. GARNER, TO APPROVE THE SCORING OF THE ACCESS TO RECREATION SPECIAL INITIATIVE IN INCREMENTS OF 0, 5, 10, 15, 20, 25 AND 30. PASSED.**

**2006 MNRTF Acquisition and Development Applications – STAFF RECOMMENDATIONS AND BOARD APPROVAL**

Chairperson Washington suggested that the Board discuss the development proposals first.

Mr. Garner suggested funding all development projects through the score of 295 (through Oscoda Township). This would leave a balance of approximately \$500,000. With the balance, he would like to recommend 06-050, Hunter Pool Renovation, City of Lansing project for funding.

Ms. Pollack suggested adding 06-079, Hubbell Pond Park Non-Motorized Trail, Village of Milford, in the amount of \$297,000.

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO APPROVE ALL DEVELOPMENT PROJECTS THROUGH THE SCORE OF 295 (THROUGH 06-090, OSCODA TOWNSHIP); AND TO ADD 06-050, CITY OF LANSING, IN THE AMOUNT OF \$500,000; AND 06-079, VILLAGE OF MILFORD, IN THE AMOUNT OF \$297,000. THE TOTAL AMOUNT OF FUNDING FOR DEVELOPMENT PROJECTS WOULD BE \$8,301,455. PASSED.**

The following development projects were approved for funding:

06-067 – Ottawa County, Mount Pisgah Dune Protection Project - \$280,000  
06-133 – DNR, Multi-Use Shooting Sports and Education Facility - \$500,000  
06-147 – DNR, Accessible Hunting/Viewing Facilities - \$99,700  
06-118 – City of Grand Ledge, Grand Ledge Riverwalk - \$192,100  
06-074 – Milford Township, Milford to Kensington Metropark Trail - \$400,000  
06-092 – Village of Ellsworth, Ellsworth Community Park Enhancements - \$249,700  
06-010 – Northville Township, Coldwater Springs Nature Area-Linear Park - \$303,800  
06-022 – City of Bay City, Wenonah Park Renovation - \$500,000  
06-132 – DNR, Ralph A. MacMullan Conference Center Improvements - \$500,000  
06-077 – Emmet County, Camp Pet-o-se-ga Campground Facilities - \$490,700  
06-126 – Department of History, Arts and Libraries, Iron Industry Museum Interpretive Trail System - \$261,600  
06-046 – Plainfield Township, Plainfield Township Nature Park Improvements – \$332,000  
06-020 – Ingham County, Lake Lansing Trail - \$358,300

06-069 – City of Rockford, Rogue River Trail Network Extension-Peppler Park – \$222,700  
 06-140 – DNR, Campground Utility Improvements - \$500,000  
 06-018 – City of Cadillac, Clam River Greenway - \$269,500  
 06-075 – Ontonagon Township, Ontonagon Township Park Improvements - \$232,755  
 06-064 – City of Southfield, Carpenter Lake Nature Interpretive Center - \$500,000  
 06-127 – DNR, Upper Peninsula Pocket Park Renovation - \$178,300  
 06-123 – Grant Township, Hunter's Point Public Access Enhancement - \$47,100  
 06-006 – Gratiot County, Reed County Park Improvements - \$495,000  
 06-015 – City of Evart, Riverside Park Improvements - \$100,000  
 06-082 – City of Munising, Tourist Park Campground Expansion - \$210,500  
 06-029 – Midland County, Sanford Lake Park Improvements - \$235,900  
 06-090 – Oscoda Township, Oscoda Beach Park Boardwalk Development - \$44,800  
 06-050 – City of Lansing, Hunter Pool Renovation - \$500,000  
 06-079 – Village of Milford, Hubbell Pond Park Non-Motorized Trail - \$297,000

At this point, the Board discussed the acquisition proposals. The total dollar amount for acquisitions is \$27,054,029.

Mr. Garner wanted to reduce amounts or delete from the list the following projects:

06-129 – DNR, Big Rock Point Acquisition (withdrawn by the DNR) – **delete from list \$3,000,000**  
 06-131 – DNR, Inland Waters Access Initiative – **reduce amount to \$750,000**  
 06-141 – DNR, State Park and Recreation Area Consolidation – **reduce amount to \$1,200,000**  
 06-137 – DNR, State Forest Land Consolidation Initiative – **reduce amount to \$800,000**  
 06-146 – DNR, Wildlife Land Consolidation Initiative – **reduce amount to \$800,000**  
 06-136 – DNR, Bois Blanc Island Property Conservation Easement – **delete from list \$2,200,000**

This would reduce the DNR's requests by \$2.2 million.

**MOVED BY MR. GARNER, SUPPORTED BY MS. POLLACK, TO DELETE THE FOLLOWING DNR PROJECTS FROM THE LIST:**

**06-129 – DNR, BIG ROCK POINT ACQUISITION (WITHDRAWN BY DNR) – \$3,000,000**  
**06-136 – DNR, BOIS BLANC ISLAND PROPERTY CONSERVATION EASEMENT - \$2,200,000**

**AND REDUCE THE FOLLOWING PROJECTS:**

**06-131 – DNR, INLAND WATERS ACCESS INITIATIVE - \$750,000**  
**06-141 – DNR, STATE PARK AND RECREATION AREA CONSOLIDATION – \$1,200,000**  
**06-137 – DNR, STATE FOREST LAND CONSOLIDATION INITIATIVE - \$800,000**  
**06-146 – DNR, WILDLIFE LAND CONSOLIDATION INITIATIVE - \$800,000**  
**PASSED.**

Chairperson Washington asked Ms. Mindy Koch, Resource Management Deputy, DNR, if these reductions were acceptable to the DNR. Ms. Koch responded that 06-136, Bois Blanc Island Property Conservation Easement was listed on the DNR's Tier 2 list. The consolidation ("lump sum") applications are real tight, however, the DNR will support whatever funding the MNRTF provides at this time.

Mr. Charters suggested that with the money reduced from the DNR projects, the Board could move down the list and fund all projects scoring 340 and higher and then from 06-005, Denton Township, on down the list to 06-036, Gerrish Township, and fund that acquisition as a phased project at \$1,400,000.

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO APPROVE THE SMALL ACQUISITION GRANT INITIATIVE (SAGI) PROJECTS. PASSED.**

The following Small Acquisition Grant Initiative projects were approved for funding:

06-002 – Algoma Township, River's Edge Park Addition - \$49,000  
06-053 – Village of Hillman, Brush Creek Dam and Millpond Acquisition - \$37,000  
06-087 – Grattan Township, Satterlee Park Acquisition - \$30,000  
06-032 – Village of Ontonagon, Ontonagon Marina Acquisition - \$87,000  
06-202 – Bridgeton Township, Township Boat Launch Expansion - \$96,500  
06-206 – City of Norton Shores, Black Lake Park Expansion - \$38,220  
06-105 – City of Standish, Recreation Property Acquisition - \$81,000  
06-061 – City of Ithaca, McNabb Park Land Acquisition - \$40,700  
06-201 – Village of Alanson, Crooked River Access Project - \$99,000

The Small Acquisition Grant Initiative projects total \$558,420.

Ms. Pollack commented on 06-209, Weesaw Township's acquisition. This project was very close to being placed on the SAGI list (\$105,000). The Board heard a presentation from the township that there were wetlands and there was more money indicated than in their original proposal.

**MOVED BY MR. CHARTERS, SUPPORTED BY MR. GARNER, TO APPROVE ACQUISITION PROJECTS ON THE LIST FROM 06-128, DNR, KAMEHAMEHA SCHOOLS DEVELOPMENT RIGHTS; THROUGH 06-036, GERRISH TOWNSHIP, WITH REDUCTIONS IN AMOUNTS AND DELETIONS OF DNR APPLICATIONS NOTED IN THE PREVIOUS MOTION MADE BY MR. GARNER. PASSED.**

Discussion ensued on acquisition projects and amount of funding available.

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, TO REDUCE 06-145, DNR, WINTER DEER HABITAT INITIATIVE, TO \$875,000. PASSED.**

**MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO APPROVE PHASING OF 06-036, GERRISH TOWNSHIP OVER A TWO-YEAR PERIOD. THE AMOUNT APPROVED FOR 2006 FUNDING WILL BE \$1,400,000. PASSED.**



**MOVED BY MR. CHARTERS, SUPPORTED BY MR. GARNER, TO TAKE  
\$720,591 OUT OF THE LAPSED DENISON PROPERTY MONEY TO  
COVER THE DEFICIT FOR FUNDING OF 2006 ACQUISITION PROJECTS.**

Ms. Pollack wanted to know what the consequences would be relative to the Denison property lapsed money, and wondered if we would be able to have funding for the acquisition a couple of years from now. If that money was set aside in the Stabilization Fund, the commitment would continue. Mr. Charters commented that at his first MNRTF meeting in 1992, the Board was talking about the Denison property, which was at the top of the list for acquisition. He feels this acquisition will always be at the top of the Board's list.

Chairperson Washington stated that the Denison funds that were appropriated for the project were not used; therefore, the MNRTF has not put anything into Denison. What the Board would be doing is taking money that has lapsed and using it to cover the deficit. He supports what the Board is proposing to do with these dollars to cover this deficit, but would not support digging further into the Stabilization Fund to move further down the list.

**MOTION PASSED.**

The following acquisition projects were approved for funding:

- 06-128 – DNR, Kamehameha Schools Development Rights - \$1,100,000
- 06-208 – Ottawa County, Bur Oak Land Acquisition - \$773,000
- 06-051 – Long Lake Township, Cedar Run Creek Natural Area Acquisition - \$999,500
- 06-204 – Nawaygo County, Camp Swampy Acquisition-Diamond Lake County Park – \$962,000
- 06-093 – Flynn Township, Hyponex Wetlands Property Acquisition - \$785,900
- 06-145 – DNR, Winter Deer Habitat Initiative - \$875,000
- 06-135 – DNR, Hackett Lake Conservation Easement – 2,600,000
- 06-199 – Oakland County, Upper Bushman Lake Acquisition - \$1,900,000
- 06-014 – Antrim County, North Shore Hunt Club Acquisition - \$2,093,000
- 06-205 – Kent County, Chief Hazy Cloud Park Expansion - \$1,110,000
- 06-131 – DNR, Inland Waters Access Initiative - \$750,000
- 06-141 – DNR, State Park and Recreation Area Consolidation - \$1,200,000
- 06-096 – White River Township, Barrier Dunes Sanctuary Expansion - \$483,700
- 06-210 – South Haven Township, Deerlick Creek Park Acquisition - \$1,000,000
- 06-099 – St. Clair County, Belle River Property Acquisition - \$1,408,000
- 06-137 – DNR, State Forest Land Consolidation Initiative - \$800,000
- 06-146 – DNR, Wildlife Land Consolidation Initiative - \$800,000
- 06-134 – DNR, State Trailways Acquisition Initiative - \$1,500,000
- 06-024 – Leelanau County, Veronica Valley Park - \$600,000
- 06-112 – Forest Home Township, Glacial Hills Pathway and Natural Area - \$213,100
- 06-110 – Suttons Bay Township, Herman Park Acquisition - \$394,200
- 06-005 – Denton Township, Houghton Lake Shore Property Acquisition - \$450,000
- 06-142 – DNR, Leelanau State Park Conservation Easement - \$2,043,800
- 06-138 – DNR, Trisch Trust Property Acquisition - \$975,000
- 06-036 – Gerrish Township, Gerrish Township Public Park - \$1,400,000

## V. NEW BUSINESS.

### Election of Chairperson for 2007

**MOVED BY MS. POLLACK, SUPPORTED BY MR. CHARTERS, TO ELECT MR. GARNER AS CHAIRPERSON OF THE MNRTF BOARD FOR 2007. PASSED.**

Chairperson Washington stated that he has been honored to be the Chairperson of the MNRTF Board for the past two years. He expressed his appreciation for all the work that DNR staff has done. Being on the MNRTF Board is one of the highlights of his life. In addition, he has appreciated working with potential applicants to obtain grants for park and recreation areas.

**MOVED BY MR. GARNER, SUPPORTED BY MR. CHARTERS, THAT MR. TORRE BE ELECTED AS VICE-CHAIRPERSON OF THE MNRTF BOARD FOR 2007. PASSED.**

### Appraisal Costs.

Chairperson Washington stated that because of appraisal costs and other related expenses involved in appraisal review, a motion is needed to allow Grants Management to use up to \$80,000 of lapsed money to cover these costs.

**MOVED BY MR. GARNER, SUPPORTED BY MR. TORRE, TO ALLOW UP TO \$80,000 OF LAPSED MNRTF MONEY TO COVER APPRAISAL COSTS AND OTHER RELATED APPRAISAL REVIEW EXPENSES. PASSED.**

## VI. STATUS REPORTS.

### DNR Real Estate Report

Mr. Wood advised the Board that the DNR Real Estate report was included in their packet of materials. Mr. Ed Meadows, Section Manager of the Real Estate Services Section, Office of Land and Facilities, DNR, was in attendance to answer any questions the Board might have with the report.

### Local Projects Completion Report

Mr. Wood advised the Board that there were two local acquisition and four local development projects completed since the Board's last meeting.

### Financial Report.

Mr. Wood outlined the financial report that was included in the Board's packet of materials.

Mr. Charters asked about the DIT charges and wondered what last year's expenditures were. Mr. Fedewa responded that last year's expenditures were \$739,000. This year's expenditures are \$449,950. This is not the total appropriation for DIT, but rather just the portion that comes out of the MNRTF. Mr. Charters wondered what happened to the

\$300,000 balance, and wondered if it was saved or dispersed. Mr. Fedewa responded it was saved within the MNRTF.

Ms. Pollack asked about the corpus of the MNRTF which was identified on the report, and wondered where the figure was for investment earnings. Mr. Fedewa responded that the earnings were part of the allowable use for expenditures of projects.

Mr. Charters asked if the earnings were common cash or are they split with equities. Mr. Fedewa responded it is a combination of common cash and other restricted funds. These are invested in a variety of instruments, earning cash with some and others equities. The MNRTF gets a report from the Department of Treasury of the investment income. Mr. Charters asked as far as the other restricted funds in the DNR, are some invested in equities (making about 5%) and the others in common cash (making about 3%)? Mr. Fedewa responded that it depends on the rate of return. Mr. Charters stated that the MNRTF should know what it is earning and wants this made clear in reports.

#### Lump Sum Report

No discussion.

#### VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

Ms. Pollack stated that it has come to her attention that the current law does not provide for the possibility of MNRTF receiving an application from a local unit of government that wants to acquire property the state is disposing of. There is over 500 acres of state land in Commerce Township that is to be disposed of. The law does not allow the MNRTF to assist Commerce Township in acquiring it. Mr. Garner responded that this is not true. Ms. Pollack needs to understand this and whether or not we want to consider any legislative changes.

Ms. Koch responded that the real question is what is the issue related to using public monies to buy public land. Mr. Wood added that that is the issue and that it is not a statutory requirement. It is a Board Policy to not acquire property that is already in public ownership.

Mr. Garner stated that this particular piece of property was bought to connect I-275 when that was in the development stage 25 years ago. The property was purchased with highway trust fund monies which prohibit giving it away. It must be sold through a bid process. This is a "catch 22" situation.

Chairperson Washington stated that this is a secondary parcel. This parcel was purchased with Fish and Game Fund money. Ms. Koch responded that that is correct, and which has its own set of restrictions very similar to other restricted funds. In its land consolidation review process, the DNR has determined that this site, at this point in time, has been recommended as "dispose", meaning that we would offer it to a local unit of government and to nonprofits first, but would sell it if those entities were not interested in it. Part of the issue here is that hunting is not allowed on this property and the DNR would have to utilize the money received from this property to purchase huntable lands because of the restrictions related to the Fish and Game Fund. The land must be sold at fair market value for replacement of lands.

Ms. Pollack asked if the lands can be leased. Ms. Koch responded that the DNR is caught in a situation where if we lease it, we have to lease it so it can be hunted, because that is what the Game and Fish Fund requires.

Chairperson Washington asked if the local unit is opposing archery hunting. Ms. Koch did not know. Chairperson Washington stated that a decade ago he tried to get it open to archery hunting.

Ms. Koch stated that the DNR is not through the whole review process. There will be a public meeting on Tuesday at the Oakland County Sports.

Ms. Pollack wanted to be clear on the restrictions of the Fish and Game Fund. Ms. Koch responded there are many issues related to restricted funds. Sometimes they take a significant amount of flexibility away. The DNR has been working with the communities in this area who are interested in this property trying to find some creative ways of having this site stay in public ownership under their control. It does not make sense for the DNR to manage this site, but we would like to see it in public ownership. The bottom line is if the DNR needs to get fair market value, the communities are struggling with this aspect.

Ms. Pollack asked if the fair market value stipulation was at the federal level. Ms. Koch responded that the DNR receives Pittman-Robertson funds from the federal government that is used for many wildlife activities. They require that the Fish and Game Fund monies be utilized the same way as the Pittman-Robertson funds, so they carry the same restrictions.

Chairperson Washington asked if there was a payments in-lieu of taxes (PILT) obligation on the Nike site. Ms. Koch responded that this does have a PILT obligation.

Ms. Pollack asked if the DNR did not have to make PILT payments, would they be more inclined to keep the property. Ms. Koch responded that the DNR is still running up against the fact that they cannot utilize the land for the required purpose that it must be used for. We still have to find huntable land as replacement or at this site to meet the requirements of the federal government.

Ms. Koch stated that the DNR does have an application for purchase of a portion (84 acres) of the property by Walled Lake Public Schools to put in a new high school. Ms. Pollack stated that is not a goal that would further the values expressed by the Land Use Commission. Schools are a primary driver of sprawl. Ms. Koch just wanted to make the Board aware of this application.

Chairperson Washington commented that none of the larger parks and recreation commissions in the area could afford the property, and he does not know if they even want it. The residents in the area just want to keep the property as it has always been.

Ms. Pollack asked if anyone knows the approximate value of the property. Ms. Koch responded that staff in attendance at the meeting today did not know the value, but we can provide this to the Board later.

Mr. Charters asked if the DNR was going to do a swap with some water access property that was closeby. Chairperson Washington stated that this was the commercial potential property. Ms. Koch responded that the DNR has talked to some of the governmental units about potential exchanges. Chairperson Washington added that there would still be the issue of equivalent value of the property. That has been the whole problem with this property. Ms. Koch responded that the DNR does have some flexibility in how we provide timelines on providing value. It does not require that 100 percent of value is provided to the DNR immediately. The DNR has had discussions with interested parties related to this property about a phased purchase.

At this point, Ms. LuAnne Kozma from Defense of Place, made comments about the Proud Lake Recreation Area appraisal.

#### VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, February 21, 2007, Lansing Center, Governor's Room, 333 E. Michigan Avenue, Lansing, Michigan.

#### IX. ADJOURNMENT.

**MOVED BY MS. POLLACK, SUPPORTED BY MR. GARNER, TO  
ADJOURN THE MEETING. PASSED.**

The meeting was adjourned at 10:45 AM.

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Sam Washington, Chairperson  
Michigan Natural Resources Trust Fund  
Board of Trustees

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James Wood, Manager  
Grants Management

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DATE

